(e) ONGC enters into MoU with Government of India every year which *inter-alia* includes exploration activities and targets to be achieved in respect of production, transportation etc. of oil and gas both in India and overseas.

Adulteration of petroleum products

1579. SHRI RAVULA CHANDRA SEKER REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the difference in price between subsidized and non-subsidized kerosene is a cause for adulteration;

(b) if so, the details thereof;

(c) whether Government are according top priority to preventing adulteration of petroleum products;

(d) if so, the steps taken in this regard during the last three years; and

(e) the number of cases filed and disposed off during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) The possibility of adulteration of petrol/diesel by some unscrupulous elements cannot be ruled out due to huge price difference between petrol/diesel and various adulterants including Kerosene available in the market and the easy miscibility of these products with petrol/diesel . To check adulteration in auto fuels and diversion of PDS Kerosene, Government has asked Oil Marketing Companies (OMCs) to take various steps to contain the menace of adulteration:—

(i) Under the Control Orders issued by the Government to prevent fuel adulteration, under the Essential Commodities Act, 1955, State Governments are empowered to take action against those indulging in adulteration. Government have requested the State Governments/Union Territory Administrations to take steps to control adulteration.

(ii) OMCs undertake regular and surprise inspections of Retail Outlets and also take action under Marketing Discipline Guidelines (MDG) and Dealership Agreements against those indulging in

adulteration and malpractices. MDG provide for termination of dealership in cases of adulteration being established.

(iii) Government has taken the initiative to expedite the installation of Global Positioning System (GPS) to monitor the movement of tank trucks.

(iv) OMCs have introduced new tamper proof tank-truck locking systems to prevent en-route adulteration by transporters.

(v) Keeping in view the misuse/diversion of SKO for adulteration, the import of SKO by private parties has been canalized through OMCs.

(vi) As advised by the Government, Oil Marketing Companies (OMCs) have created a separate wing to report to a Director other than Director (Marketing), which will oversee and monitor all activities and operations to curb adulteration and specify norms and guidelines in this regard.

In order to check adulteration the Government had recently taken a number of new initiatives which are given in the Statement-I (*See* below).

(e) The details of inspections conducted by OMCs and action taken on defaulting dealers on account of various malpractices during the last three years are given in Statement-II.

Statement-I

Details of new initiatives taken to check adulteration of Petrol/Diesel and streamlining PDS kerosene distribution

Checking adulteration is a continuous process and the Ministry of Petroleum and Natural Gas has been reviewing steps taken to curb adulteration from time to time. In the process, several technological and institutional measures have been taken to contain adulteration. The recent steps taken by the Ministry are summarized below:

1. **Automation of Retail Outlets:** In order to monitor the activities at retail outlets by adopting the latest technological improvements, adutomation of retail outlets is being implemented. MOP&NG has directed

the oil marketing companies to complete automation of retail outlets selling more than 200 per month by March, 2007.

2. **Third Party Certification of Retail Outlets:** OMCs have been directed to complete third party certification of all the retail outlets selling more than 100 KL per month by March, 2007.

3. **Monitoring of movement of Tank Trucks through Global Positioning System (GPS):** In order to prevent adulteration during transportation, OMCs have been directed to install GPS for complete monitoring of the movement of all the company owned/dealer owned/ contractor owned tanks trucks by March, 2007.

4. **Marker System in Kerosene:** To check adulteration in auto fuels, Government has asked public sector Oil Marketing Companies (OMCs) to take various steps, including introduction of marker in adulterants. OMCs have commenced introduction of marker in kerosene on all India basis with effect from 1.10.2006. Under the new system, Marker is being put in kerosene in all depots. This system heralds the introduction of world class technology to curb and eventually eliminate the menace of adulteration of transportation fuels along the supply chain. With the marker's presence, adulteration even with very low levels of kerosene can be detected.

MS/HSD Control Order, 2005, SKO Control Order, 1993 and MDG 2005 have been amended for making provision regarding introduction of marker system in Kerosene to check adulteration. A committee has been set up in the Ministry to monitor the progress of the marker system. Oil Marketing Companies in the Private sector have also been simultaneously asked to introduce marker in Kerosene as is being done by Public Sector OMCs.

5. **Revising the Marketing Discipline Guidelines:** The Marketing Discipline Guidelines (MDG) under which the oil marketing companies take penal actions against the erring dealers have been revised during August, 2005 making the penal action more stringent. As per MDG, 2005, a dealership would be terminated in the first instance of adulteration itself.

6. **Jan Kerosene Pariyojana:** To streamline the PDS Kerosene distribution system and contain diversion of kerosene for adulteration and other unauthorized usages, Jan Kerosene Pariyojana (JKP) had been launched initially for a period of 6 months on a pilot basis in 414 blocks with effect from 2.10.2005. The Pilot scheme has been further extended upto 30.6.2007.

7. **Smart Card Scheme:** With the objective of ensuring that the benefit of the subsidy reaches the targeted consumers in an efficient and cost-effective manner and to prevent any leakages, this Ministry has proposed introduction of Smart Card System for distribution of PDS kerosene. The scheme is proposed to be introduced initially on an experimental basis. In the Pilot project, subsidized kerosene through Smart Card is proposed to be available to BPL families while all other ration card holders would be given non-subsidized kerosene. Oil Marketing Companies (OMCs) would ensure adequate availability of PDS as well as non-subsidized kerosene during the entire period of implementation of the Pilot.

Statement-II

The details of total number of inspections carried out by OMCs and action taken on defaulting dealers on account of various malpractices during the last three years

	Type of Malpractices	2004-05	2005-06	2006-07(April to December, 2006)
	No. of inspections	**104488**	**106310**	**85266**
1.	Discrepancy in stock	63	136	178
2.	Suspected product adulteration	225	229	152
3.	Overcharging	2	3	7
4.	Unauthorized sale	8	7	6
5.	Short delivery	241	542	698
6.	Others	94	1108	1113
	TOTAL:	633	2025	2154
	ActionTaken			
1.	Termination	39	70	65
2.	Suspension of sales and supplies with Fine	402	628	914
3.	Explanation called for/show cause notice or warning letters issued	189	1043	984
4.	Others including Court Cases	12	223	191
	TOTAL:	642	1964	2154